

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
				<p>Charges shall apply.</p> <p>1.7 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.6, the Charges for the Service shall be the Providing Party's FCC or Commission approved Charges.</p> <p>1.8 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.7, the Charges for the Service shall be mutually agreed to by the Parties in writing.</p>	
IV-31	Should the interconnection agreement contain a provision stating that rates for exchange access service purchased by either party for use in the provision of toll service to end users customers are not affected by the <i>interconnection agreement</i> ?	<p>Attachment I, Section I.2:</p> <p>1.2 Rates for Exchange Access Services purchased by either Party for use in the provision of toll service to end user customers are not affected by this Agreement.</p>	The provision is necessary because it provides an important limitation on the Parties' rights and obligations under the agreement.	<p>7.3.3 Switched Exchange Access Service and InterLATA or IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable Tariffs and, where applicable, by a Meet-Point Billing arrangement in accordance with Section 9.</p>	<p>Although WorldCom claims that Verizon is opposed to a provision concerning rates for exchange access services, Verizon's proposed interconnection agreement, Interconnection Attachment § 7.3.3, states that "Switched Exchange Access Service and InterLATA and IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable Tariffs and, where applicable, by a Meet-Point Billing arrangement in accordance with Section 9."</p> <p>Moreover, the Act, the Commission and federal appellate courts have all made clear that access traffic, described in 47 U.S.C. § 251(g), is "carved out" and not a part of the traffic that falls under § 251(b)(5). As the Commission observed in the</p>

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					recent <i>ISP Remand Order</i> , the traffic "carved out" in § 251(g) has been regulated by the Commission and states prior to the enactment of the 1996 Act. Thus, this traffic should properly be excluded from the Parties' agreement.
IV-32	Should the ICA contain a provision stating that: (1) absent agreement otherwise, WorldCom will pay only those rates set forth in Table I for services purchased under the ICA; (2) Verizon will pay for any systems or infrastructure it requires to provide the services covered by the ICA, and that it may recover those costs only through the rates set forth in Table I; and (3) rates for subsequently developed services or services modified by regulatory requirements will be added to Table I by agreement; and (4) electronic copies of the pricing tables will be provided to WorldCom to facilitate changing the rates in the pricing tables?	<p>Attachment I, Sections 1.3 through 1.4.</p> <p>1.3 Unless otherwise agreed, MCI shall pay only the rates set forth in Table I for the services it purchases under this Agreement. Verizon shall pay for all of the development, modification, technical installation and maintenance of any systems or other infrastructure which it requires to provide the services set forth in this Agreement and priced in Table I, and shall recover all such costs through the rates set forth in Table I. Rates for services not yet identified in Table I, but subsequently developed pursuant to the Bona Fide Request process or services identified in Table I, but modified by regulatory requirements, shall be added as revisions to Table I when agreed between the Parties.</p> <p>1.4 On a monthly (or other mutually agreeable) basis, Verizon shall provide MCI a revised copy of Table I to this Attachment I reflecting price changes ordered by the Commission or FCC since the last</p>	This provision is needed to define the rights and obligations of the Parties, avoid ambiguity, make the rates in Table I the exclusive pricing schedule for the Agreement, and establish a process for amending the Table as law or circumstances require.	<p>PRICING ATTACHMENT</p> <p>1. General</p> <p>1.1 As used in this Attachment, the term "Charges" means the rates, fees, charges and prices for a Service.</p> <p>1.2 Except as stated in Section 2 or Section 3, below, Charges for Services shall be as stated in this Section 1.</p> <p>1.3 The Charges for a Service shall be the Charges for the Service stated in the Providing Party's applicable Tariff.</p> <p>1.4 In the absence of Charges for a Service established pursuant to Section 1.3, the Charges shall be as stated in Appendix A of this Pricing Attachment.</p> <p>1.5 The Charges stated in Appendix A of this Pricing Attachment shall be automatically superseded by any applicable Tariff Charges. The Charges stated in Appendix A of this Pricing Attachment also shall be</p>	Verizon's proposed interconnection agreement states that if a charge is not contained in the Pricing Attachment, in a Verizon tariff, or in the Agreement itself, then charges for the service shall be provided by the appropriate commission. Verizon's proposal also contains a fall-back provision - in the absence of any reference to a charge for a service, the Parties shall mutually agree on the appropriate charge. Thus, Verizon objects to the issue WorldCom has phrased and its proposal. Finally, there is no need for Verizon to provide WorldCom with electronic copies of pricing tables because it places an onerous and unnecessary record-keeping burden on Verizon.

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		version of Table 1. Verizon shall provide such revised Table 1 in electronic (Microsoft Word or Excel) format on diskette or CD-ROM, and include the USOC codes, alpha-numeric descriptions, unit price, and recurring or non-recurring indicators for each item. MCI and Verizon shall use such revised Table 1 to amend this Attachment I as set forth in Section [1.1].		<p>automatically superseded by any new Charge(s) when such new Charge(s) are required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC (including, but not limited to, in a Tariff that has been filed with the Commission or the FCC), provided such new Charge(s) are not subject to a stay issued by any court of competent jurisdiction.</p> <p>1.6 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.5, if Charges for a Service are otherwise expressly provided for in this Agreement, such Charges shall apply.</p> <p>1.7 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.6, the Charges for the Service shall be the Providing Party's FCC or Commission approved Charges.</p> <p>1.8 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.7, the Charges for the Service shall be mutually agreed to by the Parties in writing</p> <p>2. Verizon Telecommunications Services Provided to **CLEC for Resale Pursuant to the Resale</p>	

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				<p>Attachment</p> <p><u>2.1 Verizon Telecommunications Services for which Verizon is Required to Provide a Wholesale Discount Pursuant to Section 251(c)(4) of the Act.</u></p> <p>2.1.1 The Charges for a Verizon Telecommunications Service purchased by **CLEC for resale for which Verizon is required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Retail Price for such Service set forth in Verizon's applicable Tariffs (or, if there is no Tariff Retail Price for such Service, Verizon's Retail Price for the Service that is generally offered to Verizon's Customers), less, to the extent required by Applicable Law: (a) the applicable wholesale discount stated in Verizon's Tariffs for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act; or, (b) in the absence of an applicable Verizon Tariff wholesale discount for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act, the applicable wholesale discount stated in Appendix A for Verizon Telecommunications Services</p>	

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				<p>purchased for resale pursuant to Section 251(c)(4) of the Act.</p> <p>2.1.2 The Charges for a Verizon Telecommunications Service Customer Specific Arrangement ("CSA") purchased by **CLEC for resale pursuant to Section 3.3 of the Resale Attachment for which Verizon is required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act, shall be the Retail Price for the CSA, less, to the extent required by Applicable Law: (a) the applicable wholesale discount stated in Verizon's Tariffs for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act; or, (b) in the absence of an applicable Verizon Tariff wholesale discount for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act, the applicable discount stated in Appendix A for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act. Notwithstanding the foregoing, in accordance with, and to the extent permitted by Applicable Law, Verizon may establish a wholesale discount for a CSA that differs from the wholesale</p>	

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				<p>discount that is generally applicable to Telecommunications Services provided to **CLEC for resale pursuant to Section 251(c)(4) of the Act.</p> <p>2.1.3 Notwithstanding Sections 2.1 and 2.2, in accordance with, and to the extent permitted by Applicable Law, Verizon may at any time establish a wholesale discount for a Telecommunications Service (including, but not limited to, a CSA) that differs from the wholesale discount that is generally applicable to Telecommunications Services provided to **CLEC for resale pursuant to Section 251(c)(4) of the Act.</p> <p>2.1.4 The wholesale discount stated in Appendix A shall be automatically superseded by any new wholesale discount when such new wholesale discount is required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC, provided such new wholesale discount is not subject to a stay issued by any court of</p>	

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				<p>competent jurisdiction.</p> <p>2.1.5 The wholesale discount provided for in Sections 2.1.1 through 2.1.3 shall not be applied to:</p> <p>2.1.5.1 Short term promotions as defined in 47 CFR § 51.613;</p> <p>2.1.5.2 Except as otherwise provided by Applicable Law, Exchange Access services;</p> <p>2.1.5.3 Subscriber Line Charges, Federal Line Cost Charges, end user common line Charges, taxes, and government Charges and assessment (including, but not limited to, 9-1-1 Charges and Dual Party Relay Service Charges).</p> <p>2.1.5.4 Any other service or Charge that the Commission, the FCC, or other governmental entity of appropriate jurisdiction determines is not subject to a wholesale rate discount under Section 251(c)(4) of the Act.</p> <p>2.2 Verizon Telecommunications</p>	

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				<p>Services for which Verizon is Not Required to Provide a Wholesale Discount Pursuant to Section 251(c)(4) of the Act.</p> <p>2.2.1 The Charges for a Verizon Telecommunications Service for which Verizon is not required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Charges stated in Verizon's Tariffs for such Verizon Telecommunications Service (or, if there are no Verizon Tariff Charges for such Service, Verizon's Charges for the Service that are generally offered by Verizon).</p> <p>2.2.2 The Charges for a Verizon Telecommunications Service customer specific contract service arrangement ("CSA") purchased by **CLEC pursuant to Section 3.3 of the Resale Attachment for which Verizon is not required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Charges provided for in the CSA and any other Charges that Verizon could bill the person to whom the CSA was originally provided (including, but not limited to, applicable Verizon</p>	

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				<p>Tariff Charges).</p> <p><u>2.3 Other Charges.</u></p> <p>2.3.1 **CLEC shall pay, or collect and remit to Verizon, without discount, all Subscriber Line Charges, Federal Line Cost Charges, and end user common line Charges, associated with Verizon Telecommunications Services provided by Verizon to **CLEC.</p>	
IV-33	<p>Should the ICA contain a Local Service Resale provision that: (1) sets forth the amount that WorldCom will pay to Verizon for services if such services are tariffed by Verizon for sale to subscribers who are not "Telecommunications Carriers" under the Act (that amount being the Tariff rate for each retail Telecommunications Service subject to wholesale pricing, as reduced by the applicable percentage discount set forth in Table 1); (2) explains that if Verizon revises such tariffed rates during the term of the ICA, the applicable percentage discount will be applied to the revised rate; and (3) provides that no discount shall apply (absent agreement otherwise) to Verizon Telecommunications Services that are tariffed by Verizon for sale to subscribers who are Telecommunications Carriers, or to any Verizon services other than</p>	<p>Attachment I, Section 3.1:</p> <p>Section 3. Local Service Resale</p> <p>3.1 The rates that MCI shall pay to Verizon for Local Resale shall be an amount equal to Tariff rates for each retail Telecommunications Service subject to wholesale pricing, as reduced by the applicable percentage discount set forth in Table 1, if such services are tariffed by Verizon for sale to subscribers who are not Telecommunications Carriers under the Act. If Verizon revises such tariffed rates during the term of this Agreement, the applicable percentage discount shall be applied to the revised tariffed rates. Unless otherwise specifically agreed between the Parties, no discount shall apply to Verizon Telecommunications Services that are tariffed by Verizon for sale to subscribers who are</p>	<p>The Agreement should contain this provision because it establishes wholesale rates for services purchased for resale, pursuant to 47 U.S.C. §§251(c)(4) & 252(d)(3), specifies the discount applicable to such purchases, and identifies the services to which the wholesale discount does not apply.</p>	<p>2. Verizon Telecommunications Services Provided to **CLEC for Resale Pursuant to the Resale Attachment</p> <p><u>2.1 Verizon Telecommunications Services for which Verizon is Required to Provide a Wholesale Discount Pursuant to Section 251(c)(4) of the Act.</u></p> <p>2.1.1 The Charges for a Verizon Telecommunications Service purchased by **CLEC for resale for which Verizon is required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Retail Price for such Service set forth in Verizon's applicable Tariffs (or, if there is no Tariff Retail Price for such Service, Verizon's Retail Price for the Service that is generally offered to Verizon's</p>	<p>Verizon's proposed interconnection agreement provides terms and conditions regarding the charges for a Verizon telecommunications service that WorldCom may purchase from the Verizon tariff. As described in § 2 of Verizon's resale attachment, WorldCom may purchase a Verizon telecommunications service, subject to applicable law, from the appropriate Verizon tariff, less the approved cost discount according to § 251(c)(4) of the Act.</p>

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	Telecommunications Services that Verizon may choose to offer for resale?	Telecommunications Carriers under the Act, which shall be available for resale, or to any Verizon services other than Telecommunications Services that it may, in its sole discretion, choose to offer for resale.		<p>Customers), less, to the extent required by Applicable Law: (a) the applicable wholesale discount stated in Verizon's Tariffs for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act; or, (b) in the absence of an applicable Verizon Tariff wholesale discount for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act, the applicable wholesale discount stated in Appendix A for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act.</p> <p>2.1.2 The Charges for a Verizon Telecommunications Service Customer Specific Arrangement ("CSA") purchased by **CLEC for resale pursuant to Section 3.3 of the Resale Attachment for which Verizon is required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act, shall be the Retail Price for the CSA, less, to the extent required by Applicable Law: (a) the applicable wholesale discount stated in Verizon's Tariffs for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act; or, (b) in the absence of</p>	

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				<p>an applicable Verizon Tariff wholesale discount for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act, the applicable discount stated in Appendix A for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act. Notwithstanding the foregoing, in accordance with, and to the extent permitted by Applicable Law, Verizon may establish a wholesale discount for a CSA that differs from the wholesale discount that is generally applicable to Telecommunications Services provided to **CLEC for resale pursuant to Section 251(c)(4) of the Act.</p> <p>2.1.3 Notwithstanding Sections 2.1 and 2.2, in accordance with, and to the extent permitted by Applicable Law, Verizon may at any time establish a wholesale discount for a Telecommunications Service (including, but not limited to, a CSA) that differs from the wholesale discount that is generally applicable to Telecommunications Services provided to **CLEC for resale pursuant to Section 251(c)(4) of</p>	

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				<p>the Act.</p> <p>2.1.4 The wholesale discount stated in Appendix A shall be automatically superseded by any new wholesale discount when such new wholesale discount is required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC, provided such new wholesale discount is not subject to a stay issued by any court of competent jurisdiction.</p> <p>2.1.5 The wholesale discount provided for in Sections 2.1.1 through 2.1.3 shall not be applied to:</p> <p>2.1.5.1 Short term promotions as defined in 47 CFR § 51.613;</p> <p>2.1.5.2 Except as otherwise provided by Applicable Law, Exchange Access services;</p> <p>2.1.5.3 Subscriber Line Charges, Federal Line Cost Charges, end user common line Charges, taxes, and government Charges and</p>	

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				<p>assessment (including, but not limited to, 9-1-1 Charges and Dual Party Relay Service Charges).</p> <p>2.1.5.4 Any other service or Charge that the Commission, the FCC, or other governmental entity of appropriate jurisdiction determines is not subject to a wholesale rate discount under Section 251(c)(4) of the Act.</p> <p><u>2.2 Verizon Telecommunications Services for which Verizon is Not Required to Provide a Wholesale Discount Pursuant to Section 251(c)(4) of the Act.</u></p> <p>2.2.1 The Charges for a Verizon Telecommunications Service for which Verizon is not required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Charges stated in Verizon's Tariffs for such Verizon Telecommunications Service (or, if there are no Verizon Tariff Charges for such Service, Verizon's Charges for the Service that are generally offered by Verizon).</p> <p>2.2.2 The Charges for a Verizon</p>	

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				<p>Telecommunications Service customer specific contract service arrangement ("CSA") purchased by **CLEC pursuant to Section 3.3 of the Resale Attachment for which Verizon is not required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Charges provided for in the CSA and any other Charges that Verizon could bill the person to whom the CSA was originally provided (including, but not limited to, applicable Verizon Tariff Charges).</p> <p><u>2.3 Other Charges.</u></p> <p>2.3.1 **CLEC shall pay, or collect and remit to Verizon, without discount, all Subscriber Line Charges, Federal Line Cost Charges, and end user common line Charges, associated with Verizon Telecommunications Services provided by Verizon to **CLEC.</p>	
IV-34	Should the ICA contain a provision that (1) entitles WorldCom to deliver both Local Traffic and toll traffic over the same trunk group(s); (2) establishes the procedure for measuring the jurisdiction of this traffic based on Verizon's terminating call records and the CPN WorldCom passes on these calls; (3) provides that if WorldCom fails to pass CPN on	<p>Attachment I, Section 4.1.2.5 and 4.5:</p> <p>4.1.2.5 MCIIm may choose to deliver both Local Traffic and toll traffic over the same trunk group(s), pursuant to the provisions of Attachment IV. Verizon shall be responsible for measuring the jurisdiction of this traffic based on their own terminating call records and the CPN MCIIm</p>	This provision is necessary because it sets forth important payment rules relating to usage measurement for purposes of charging access charges or reciprocal compensation. In addition, this provision will encourage the efficient use of facilities by allowing aggregation of traffic types, provided that auditable information is provided for	<p>6. Trunking Measurement and Billing over Local Interconnection Trunks</p> <p>6.1 For billing purposes, each Party shall pass Calling Party Number (CPN) information on at least ninety-five percent (95%) of calls carried over the Local Interconnection Trunks.</p>	Section 6 of Verizon's proposed interconnection agreement, interconnection attachment, contains provisions for trunking measurement and billing over local interconnection trunks. Verizon proposes that for billing purposes that each Party pass Calling Party Number ("CPN") information on at least 95% of calls carried over Local Interconnection

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	more than 10% of the calls, it will provide Percent Local Usage (PLU) information to Verizon ; (4) provides that in the event WorldCom includes both interstate and intrastate toll traffic over the same trunk, and fails to pass CPN on more than 10% of the calls, it will then provide Percent Interstate Usage (PIU) to Verizon; (5) gives Verizon the same options and obligations as WorldCom; (6) sets forth requirements for determining PIU and PLU information; and (7) provides that that the basis for such determinations are subject to audit?	<p>passes on these calls. In the event MCIIm chooses to deliver both types of traffic over the same traffic exchange trunks, desires application of the local call transport and termination rates, and fails to pass CPN on more than 10% of the calls, it will then provide Percent Local Usage ("PLU") information to Verizon as set forth in Section [7.5] of Attachment IV. In the event MCIIm includes both interstate and intrastate toll traffic over the same trunk, and fails to pass CPN on more than 10% of the calls, MCIIm will provide Percent Interstate Usage ("PIU") to Verizon as set forth in Section [7.5] of Attachment IV. Verizon shall have the same options, and to the extent it avails itself of them, the same obligations, to provide PIU and PLU information to MCIIm. To the extent feasible, PLU and PIU information shall be based on the actual end-to-end jurisdictional nature of each call sent over the trunk. If actual PLU and PIU information cannot reasonably be determined, the reporting Party shall estimate PLU and PIU, and, upon demand, explain the basis for the estimate. The basis for the PLU and PIU are subject to audits in accordance with the provisions of Part A.</p> <p>4.5 The Parties shall use the Calling Party Number ("CPN") to determine</p>	verification purposes.	<p>Trunks.</p> <p>6.1.1 If the originating Party passes CPN on ninety-five percent (95%) or more of its calls, the receiving Party shall bill the originating Party the Local Traffic call completion rate, intrastate Exchange Access rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Switched Exchange Access Service rates, applicable to each relevant minute of traffic, as provided in the Pricing Attachment and applicable Tariffs, for which CPN is passed. For any remaining (up to 5%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic at the Local Traffic call completion rate, intrastate Switched Exchange Access Service rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Switched Exchange Access Service rates, applicable to each relevant minute of traffic, as provided in Pricing Attachment and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.</p> <p>6.1.2 If the originating Party passes CPN on less than ninety-</p>	<p>Trunks. Verizon's proposed interconnection agreement also provides that if the receiving Party lacks the ability to use and classify CPN information (on at least 95% of calls) on an automated basis on traffic delivered by the other Party as either Local or toll traffic, the originating Party will provide a Percent Interstate Usage ("PIU") and Percent Local Usage ("PLU") factor. Verizon's proposal is fair, equitable and applies to all CLECs who interconnect with Verizon. WorldCom's position on this issue, however, is misleading. It states that the Parties previously agreed to include "this provision" (WorldCom's proposed language) in their prior Agreement. In the Agreement that WorldCom filed with the Virginia SCC prior to the Commission's assumption of jurisdiction, WorldCom added <i>new</i> language to the Parties' old Agreement. Accordingly, this Commission should adopt Verizon's proposal.</p>

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		the jurisdiction of billed traffic. If the jurisdiction of traffic cannot be determined based on the CPN, the Parties will jointly exchange industry standard jurisdictional factors, such as PIU, PIU, or PLU in order to determine the jurisdiction of the traffic.		<p>five percent (95%) of its calls and the originating Party chooses to combine Local and Toll Traffic on the same trunk group, the receiving Party shall bill the higher of its interstate Switched Exchange Access Service rates or its intrastate Switched Exchange Access Services rates for all traffic except Internet Traffic that is passed without CPN, unless the Parties agree that other rates should apply to such traffic.</p> <p>6.2 At such time as a receiving Party has the capability, on an automated basis, to use such CPN and/or other call detail information to classify traffic delivered over Local Interconnection Trunks by the other Party as either Local Traffic or Toll Traffic, such receiving Party shall bill the originating Party the Local Traffic call completion rate, intrastate Exchange Access rates, or interstate Exchange Access rates applicable to each relevant minute of Traffic for which CPN is passed, as provided in the Pricing Attachment and applicable Tariffs. If the receiving Party lacks the capability, on an automated basis, to use CPN information to classify on an automated basis traffic delivered by the other Party as either Local Traffic or Toll Traffic, the originating Party will supply a PIU and PLU</p>	

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				factor. The PIU and PLU factors shall be supplied in writing by the originating Party within thirty (30) days of the Effective Date and shall be updated in writing by the originating Party quarterly. Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. Measurement of billing minutes for originating toll free service access code (e.g., 800/888/877) calls shall be in accordance with applicable Tariffs. If the amount of traffic (excluding Toll Traffic) that Verizon delivers to **CLEC exceeds twice the amount of traffic that **CLEC delivers to Verizon as Local Traffic ("2:1 ratio"), then the amount of traffic that Verizon delivers to **CLEC in excess of such 2:1 ratio shall be presumed to be Internet Traffic and not subject to the Local Traffic call completion rate (Reciprocal Compensation).	
IV-35	Should the ICA contain a provision that states that reciprocal compensation for the exchange of Local Traffic shall be paid?	Attachment I, Sections 4.2 through 4.2.1.4.2.1. 4.2 Compensation for the Termination of Local Traffic 4.2.1 Reciprocal Compensation for Local Traffic	This provision is necessary because it implements sections 251(b)(5) and 252(d)(2) of the Act, which entitle WorldCom to reciprocal compensation for the exchange of local traffic.	7. Reciprocal Compensation Arrangements – Pursuant to Section 251(b)(5) <u>7.1 Local Traffic Reciprocal Compensation Interconnection Points.</u> 7.1.1 Except as otherwise agreed by the Parties, the	Verizon's proposed interconnection agreement describes the reciprocal compensation arrangements that apply between the Parties. Unlike WorldCom's proposal, Verizon's reciprocal compensation provision complies with applicable law. For instance, WorldCom's proposal contains language that is out of date

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		<p>4.2.1.1 Reciprocal Compensation for the exchange of Local Traffic is set forth in Table 1 of this Attachment and shall be assessed on a per minute-of-use basis for the transport and termination of such traffic.</p> <p>4.2.1.2 The provisions of this Section [4.2] apply to reciprocal compensation for transport and termination of Local Traffic. Local Traffic is traffic originated by one Party and directed to the NPA-NXX-XXXX of a LERG-registered end office of the other Party within a Local Calling Area and any extended service area, as defined by the Commission. Local Traffic includes traffic directed to information service providers.</p> <p>4.2.1.3 Rates for transport and termination of Local Traffic must be symmetrical. For the purposes of this Section [4.2], symmetrical means that the rates MCIm charges Verizon for the transport and termination of Local Traffic equals the rates Verizon charges MCIm for the same services.</p> <p>4.2.1.4 The Parties shall bill each other the following rates for the transport and termination of Local</p>		<p>Interconnection Points ("IPs") from which **CLEC will provide transport and termination of Local Traffic to its Customers ("**CLEC-IPs") shall be as follows:</p> <p>7.1.1.1 For each LATA in which **CLEC requests to interconnect with Verizon, except as otherwise agreed by the Parties, **CLEC shall establish a **CLEC IP in each Verizon Rate Center Area (or Exchange Area) where **CLEC chooses to assign telephone numbers to its Customers. **CLEC shall establish such **CLEC-IP consistent with the methods of interconnection and interconnection trunking architectures that it will use pursuant to Section 2 of this Attachment.</p> <p>7.1.1.2 At any time that **CLEC establishes a Collocation site at a Verizon End Office Wire Center in a LATA in which **CLEC is interconnected or requesting interconnection with Verizon, either Party may request in writing that such **CLEC Collocation site be</p>	<p>considering this Commission recent <i>ISP Remand Order</i>. Moreover, WorldCom added new language to its proposed interconnection agreement that Verizon never agreed to in the prior agreement, contrary to WorldCom's insinuation otherwise. Because Verizon's reciprocal compensation proposal complies with applicable law, the Commission should adopt Verizon's language.</p>

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		<p>Traffic.</p> <p>4.2.1.4.1 Transport (where used) – compensation for the transmission and any necessary tandem switching of Local Traffic.</p> <p>4.2.1.4.1.1 The rate for common transport is set forth in Table 1 of this Attachment I. For the purposes of this Section [4.2], both Parties shall bill each other the average mileage of all end offices subtending the applicable Verizon tandem office.</p> <p>4.2.1.4.1.2 Where MCI's Switch serves a geographic area comparable to the area served by Verizon's tandem Switch, MCI shall also charge Verizon for tandem switching in accordance with this Section.</p> <p>4.2.1.4.2 Termination – compensation for the switching of Local Traffic at the terminating Party's end office Switch, or equivalent facility provided by MCI.</p> <p>4.2.1.4.2.1 The rate for local switching is set forth in Table 1 of this Attachment I.</p>		<p>established as the **CLEC-IP for traffic originated by Verizon Customers served by that End Office. Upon such request, the Parties shall negotiate in good faith mutually acceptable arrangements for the transition to such **CLEC-IP. If the Parties have not reached agreement on such arrangements within thirty (30) days, (a) either Party may pursue available dispute resolution mechanisms; and, (b) **CLEC shall bill and Verizon shall pay the lesser of the negotiated intercarrier compensation rate or the End Office reciprocal compensation rate for the relevant traffic less Verizon's transport rate, tandem switching rate (to the extent traffic is tandem switched), and other costs (to the extent that Verizon purchases such transport from **CLEC or a third party), from the originating Verizon End Office to the receiving **CLEC-IP.</p> <p>7.1.1.3 In any LATA where the Parties are already interconnected prior to the effective date of this</p>	

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				<p>Agreement, **CLEC may maintain existing IPs, except that Verizon may request in writing to transition such **CLEC-IPs to the **CLEC-IPs described in subsections 7.1.1.1 and 7.1.1.2, above. Upon such request, the Parties shall negotiate a mutually satisfactory arrangements for the transition to IPs that conform to subsections 7.1.1.1 and 7.1.1.2, above. If the Parties have not reached agreement on such arrangements within thirty (30) days, (a) either Party may pursue available dispute resolution mechanisms; and, (b) **CLEC shall bill and Verizon shall pay only the lesser of the negotiated intercarrier compensation rate or the End Office reciprocal compensation rate for relevant traffic, less Verizon's transport rate, tandem switching rate (to the extent traffic is tandem switched), and other costs (to the extent that Verizon purchases such transport from **CLEC or a third party), from Verizon's originating End Office to the</p>	

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				<p>**CLEC IP.</p> <p>7.1.2 Except as otherwise agreed by the Parties, the Interconnection Points ("IPs") from which Verizon will provide transport and termination of Local Traffic to its Customers ("Verizon-IPs") shall be as follows:</p> <p>7.1.2.1 For Local Traffic delivered by **CLEC to the Verizon Tandem subtended by the terminating End Office serving the Verizon Customer, the Verizon-IP will be the Verizon Tandem Wire Center.</p> <p>7.1.2.2 For Local Traffic delivered by **CLEC to the Verizon terminating End Office Wire Center serving the Verizon Customer, the Verizon-IP will be Verizon End Office Wire Center.</p> <p>7.1.3 Should either Party offer additional IPs to any Telecommunications Carrier that is not a Party to this Agreement, the other Party may elect to deliver traffic to such IPs for the NXXs or functionalities served by those IPs. To the extent that any such **CLEC-IP is not</p>	

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				<p>located at a Collocation site at a Verizon Tandem Wire Center or Verizon End Office Wire Center, then **CLEC shall permit Verizon to establish physical Interconnection through collocation or other operationally comparable arrangements acceptable to Verizon at the **CLEC-IP, to the extent such physical Interconnection is technically feasible.</p> <p>7.1.4 Each Party is responsible for delivering its Local Traffic that is to be terminated by the other Party to the other Party's relevant IP.</p> <p>7.2 The Parties shall compensate each other for the transport and termination of Local Traffic delivered to the terminating Party in accordance with Section 251(b)(5) of the Act at the rates stated in the Pricing Attachment. These rates are to be applied at the **CLEC-IP for traffic delivered by Verizon for termination by **CLEC, and at the Verizon-IP for traffic delivered by **CLEC for termination by Verizon. Except as expressly specified in this Agreement, no additional charges shall apply for the termination from the IP to the Customer of Local Traffic delivered to the Verizon-IP by **CLEC or the **CLEC-IP by Verizon. When such</p>	

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				<p>Local Traffic is delivered over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be applied only to the Toll Traffic. The designation of traffic as Local Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.</p> <p>7.3 Transport and termination of the following types of traffic shall not be subject to the Reciprocal Compensation arrangements set forth in this Section, but instead shall be treated as described or referenced below:</p> <p>7.3.1 Tandem Transit Traffic shall be treated as specified in Section 11.</p> <p>7.3.2 For any traffic originating with a third party carrier and delivered by **CLEC to Verizon, **CLEC shall pay Verizon the same amount that such third party carrier would have been obligated to pay Verizon for termination of that traffic at the location the traffic is delivered to Verizon by **CLEC.</p>	

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				<p>7.3.3 Switched Exchange Access Service and InterLATA or IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable Tariffs and, where applicable, by a Meet-Point Billing arrangement in accordance with Section 9.</p> <p>7.3.4 No Reciprocal Compensation shall apply to Internet Traffic. If the amount of traffic (excluding intraLATA Toll Traffic) that Verizon delivers to **CLEC exceeds twice the amount of traffic that **CLEC delivers to Verizon as Local Traffic ("2:1 ratio"), then the amount of traffic that Verizon delivers to **CLEC in excess of such 2:1 ratio shall be presumed to be Internet Traffic and shall not be subject to Reciprocal Compensation. Notwithstanding any other provision in this Agreement, if the Commission, the FCC, or a court of competent jurisdiction, should issue or release an order, or if a federal or state legislative authority should enact a statute, that by its terms (a) expressly supercedes or modifies existing interconnection agreements and (b) specifies a rate or rate structure for reciprocal compensation,</p>	

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				<p>intercarrier compensation, or access charges, that is to apply to Internet Traffic, then the Parties shall promptly amend this Agreement to reflect the terms of such order or statute. If such order or statute does not expressly supercede or modify existing interconnection agreements, then Verizon, in its sole discretion, may elect either to continue the provisions set forth herein with regard to Internet Traffic, or to terminate such provisions with thirty (30) days advance written notice. In the event Verizon elects to exercise its termination right, then the Parties shall promptly amend this Agreement to reflect the terms of such order or statute, and any such amendment shall be retroactive to the effective date of the termination.</p> <p>7.3.5 No Reciprocal Compensation shall apply to special access, private line, or any other traffic that is not switched by the terminating Party.</p> <p>7.3.6 IntraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls originated or authorized by the Parties'</p>	

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